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Business Resumption Planning

a guide

Canada

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in consultation with

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Introduction

This booklet is intended as a brief introduction to the concept of business resumption planning and provides suggestions and guidelines on how to go about preparing a business resumption plan tailored to the needs of virtually any business or organization.

In the context of this booklet, the term “business” applies to virtually all economic activities in the private and public sector and the information on business resumption planning is intended as an overview of the concept rather than providing a detailed methodology.

Further information on business resumption planning is available from various vendors, consultants and professional associations. [*See Appendix 3 for a list of non-profit professional associations.*]

A booklet on a related subject, *The Preservation of Essential Records: a guide for governments, organizations, institutions and businesses* is available from Emergency Preparedness Canada. [*See Appendix 3 for how to order.*]



What is business resumption planning?

Business resumption planning can be defined as “planning to ensure the continued availability of essential services, programs and operations, including all the resources involved.” Business resumption planning prepares an organization to respond to an interruption of essential business functions and provides the guidelines to fully recover operations, services and programs.

Why have a business resumption plan?

Every organization is at risk to some extent. Your building could be seriously damaged by a fire, tornado, earthquake or explosion. Floods originating inside or outside your building could affect your operations. A prolonged power outage, sabotaged computer system or destroyed equipment can also shut your organization down. Your managers and employees could be killed or badly injured. Your facilities, inventory and essential information could be inaccessible for a prolonged period.

If any of these dramatic events — or many others of a less drastic nature occur — your organization may be unable to continue operating. If the interruption continues, the ability of your business to survive may be threatened. You, your management and staff should help determine when that critical point is reached. Before that happens, you should arm yourself with a business resumption plan.

How can a business resumption plan help an organization “stay in business” following an unplanned interruption?

- Δ A good business resumption plan identifies the pre-set arrangements you need to have on “stand-by” in order to get vital functions operating again with as little delay as possible.
- Δ A good business resumption plan ensures the availability of necessary resources including personnel, information, equipment, financial arrangements, services and accommodations.
- Δ A good business resumption plan helps an operation to survive an unplanned interruption by making sure essential clients needs can be met until normal operations are resumed.

Steps toward producing a good business resumption plan

- Δ Clearly define the essential aspects of the business you are in.
- Δ Determine the essential activities that must continue in order for your organization to continue functioning and list them in order of urgency and importance.
- Δ Do a business impact analysis to determine the impact on your organization of the loss of those essential functions in dollars and cents.

- Δ Involve your operations managers and key employees in the development of the plan. It's their plan as well as yours. Implementation of the plan will be easier if they have helped develop the plan and feel responsible for its success.
- Δ Develop a recovery strategy by determining what resources are needed, where they can be acquired, and the costs involved.
- Δ Address the requirement for alternative resources (e.g. alternate accommodations, furniture, computers and other office equipment, phone service, essential records, and inventory items necessary to continue essential business functions.) Remember that alternate resources in the same geographical location may be knocked out by the same disaster affecting you.
- Δ Write a business resumption plan that is simple, straightforward, and easy to understand.

A business resumption plan is no good unless it is realistic, up-to-date, tested and is well known by those who must implement it, possibly in the midst of post-emergency chaos.

Some prerequisites for successful business resumption planning

- Δ Senior management must be actively involved in the development of the business resumption plan. They must:
 - agree to the need for such a plan
 - assign the necessary resources for plan development

- concur in the selection of essential activities and priority for recovery
 - agree to back-up arrangements and the costs involved
 - be prepared to authorize activation of the plan, should the need arise
- Δ A large organization should have a project co-ordinator to develop the plan. The plan should be developed with input from managers and employees at all levels who will be involved in implementing the plan.
- Δ Someone must be assigned to keep the plan up-to-date and to implement it, if necessary.
- Δ Don't be intimidated or overwhelmed by the prospect of developing a business resumption plan. Develop a planning schedule and work on the plan step-by-step and in stages, if necessary.
- Δ Remember that preparing a business resumption plan is not a "one-shot" project or a one-time activity but rather an integral part of an effective business strategy. A completed plan needs to be reviewed, tested and updated regularly if it is to be effective when put into action.

A sample step-by-step guide to developing a business resumption plan is included in Appendix 1 of this booklet and a business resumption plan checklist is included in Appendix 2.

APPENDIX 1

A step-by-step guide to preparing a business resumption plan

The following is offered as a flexible model for developing a business resumption plan. The steps, questions and other suggestions should be adapted to address the individual situation of the business or organization for which the plan is being developed.

1. List the major functions or activities of your business or organization.

(in a large organization, list the functions or activities of each unit, division, department, branch etc.)

2. Determine which activities are “time-critical” business functions

A “time critical” business function is a service or activity whose continued operation is considered essential by management. Non-performance of this function would significantly impair the successful functioning of the business or organization.

Consider the following as they apply to your business or organization:

- what functions would have to be done *immediately* after a business interruption? What could be postponed?
- What are your external requirements on a day-to-day basis? What do you need from outside your business/organization in order to be able to continue to function?

- What are your immediate internal requirements?
Where do they come from?
- How long can your essential business functions be inoperative?
- Are there regulatory requirements or penalties that must be considered if you cannot fulfil your obligations due to an unplanned business interruption?
- What is the financial impact of non-performance of a business function? How significant is this impact? Is it measurable?
- What are the costs to respond/recover versus the short-term lost revenue?
- Are other organizations dependent on functions that your business or organization performs? What are your external outputs?
- What legal or contractual liabilities would arise if the activities were curtailed or shut down?
- What would be the public relations implications of a curtailment of your activities or a shut-down of your business?
- Would the safety or security of personnel and property be jeopardized if your operations were interrupted?

- Which of your essential operations are dependent on computer support? [Mainframe, WAN, LAN and stand-alone] Are there alternative manual operating procedures in place with people who know how to use them? How long could these operations be performed without computer support?
- Are there provisions for overtime for staff and for additional or replacement staffing?
- List important clients or contacts, external and internal.
- Identify essential operating information for vital business functions and prepare a checklist of essential records. Maintain copies of essential records off-site.
- Determine what essential office equipment is required. Specify any special computer hardware, software, databases, networks or other technology.
- Identify your work in progress. Determine the work flow and business impact if the identified information and work in progress were destroyed and could not be recovered.
- Identify any work in progress for your business or organization that is being done outside your facility.

3. Assign a priority to each of the “time-critical” activities you have identified.

One way of assigning priorities is to assign a numeric scale from 1 to 5 to show the length of time the activity can remain disrupted. For example:

<1 day - 1 day	=	priority 1
2 - 4 days	=	priority 2
5 - 7 days	=	priority 3
8 - 10 days	=	priority 4
more than 10 days	=	priority 5

4. Develop a planning objective for each activity.

A planning objective states your goal for resuming each activity, specified to a level of service and within a specific timeframe.

For example:

- To staff essential or designated positions at an alternate site within four hours of the business interruption.
- To have alternate information processing arrangements that will meet essential computer requirements within 48 hours of the business interruption.
- To be capable of answering 50% of incoming customer calls within one hour and 100% of calls within four hours of an interruption.

5. Determine the minimum needs for initial response

The ability to communicate with your employees, suppliers, customers etc. is the key aspect to an effective initial response. Plan this aspect first. Then:

- List essential information sources (operating instructions, manuals, databases) and alternate sources for this information.

- List essential equipment needs (telephones, computers etc.) and sources of alternative equipment. Have all support services been considered?
- List key positions within your organization or within another organization that are needed to assist with recovery.

6. Obtain senior management approval of the essential functions, priorities and planning objectives you have identified.

This important step gives senior management an outline of the plan being developed and an opportunity to confirm any of their previous risk management decisions as senior management may not be aware of the implications and liabilities they face if there is a prolonged business interruption.

7. Delegate planning assignments to the staff who carry out the essential activities on a day-to-day basis.

The people who perform a job on a regular basis are the best qualified to work on a business resumption plan that will allow them to resume essential activities following an unplanned business interruption.

8. Write the detailed portions of the plan.

Focus on the *impact* of the business interruption, *not on the cause* of the interruption. Each part of your business/organization must deal with what must be done to recover the essential activities if staff are incapacitated, information lost, facilities or assets destroyed or rendered inaccessible. Each section of the plan should stand alone.

The plan for each part of your business/organization and the final plan for the business/organization as a whole, should incorporate the costs of implementation in terms of personnel and financial resources.

Your plan should also cover staffing requirements such as replacement personnel, extraordinary staff expenses and health and safety factors.

9. Consolidate all sections of the plan into a business resumption plan for your entire business/organization.

The plans for each unit, division, department etc. should be assembled to form the business resumption plan for your business/organization as a whole.

The restricted and confidential parts of the plan should be protected.

10. Communicate the plan to employees.

All employees should be aware that a plan, authorized by senior management, exists. It should be explained, if necessary, in a series of information sessions, to the key employees that will be involved in implementing the plan after a business interruption.

11. Store and keep copies of the plan in a secure off-site location away from your main office so it will not be destroyed or made inaccessible by the same event that disrupted your business operation.

Make sure the off-site location is accessible to you 24 hours a day.

12. Test the plan.

Conduct a test of the plan in a realistic fashion and with ample warning to all employees that the plan is being tested. If you don't test the plan, you risk not having it work in a real emergency situation. The plan can be tested in stages or levels ranging from a "table-top exercise" to a full-scale simulation of a post-disaster situation.

13. Review your business resumption plans on a regular basis and update it as required to reflect any changes in essential activities, priorities etc.

NOTE: Several software packages are available to help reduce the burden of data manipulation and updating a business resumption plan. The programs range from simple word processor outlines of plan development requirements (fill-in-the-blanks style) to comprehensive relational databases combined with word processing capabilities. Individual businesses/organizations should evaluate these software products with a view to maintaining simplicity while providing all the elements needed for a successful response and recovery process.

APPENDIX 2

A business resumption plan checklist

This checklist is to help you decide whether your business resumption plan is adequate. It presents a suggested list of questions against which your plan can be checked to determine if changes or adjustments are needed. The questions are not intended to be exhaustive and should be adapted to apply to your particular organization.

Each business or organization should develop its own checklist, based on its particular business resumption plan, mandate, business, and potential types of unplanned business interruptions. Health and safety considerations are also included.

Personnel

- ☐ Have key employees seen the business resumption plan and are all employees aware that there is such a plan?
- ☐ Have employees been told their specific roles and responsibilities if the business resumption plan is put into effect?
- ☐ Have information sessions on the business resumption plan been held?

- ☐ Does your business resumption plan include home telephone numbers/beeper/cellular phone number etc. of employees with key roles in implementing the plan? [Can you contact them on a 24-hour basis, if necessary, while they are on vacation or otherwise away from the office?]
- ☐ Do designated employees know who does what in the event of an emergency?
- ☐ Have people with special needs been identified and provisions made for them?
- ☐ Does your business resumption plan provide a means for replacement staff when necessary?

Building premises

- ☐ Consider the condition of your building(s) — old, recently retrofitted or new and the impact this may have on some details of your business resumption plan.
- ☐ Do you have access to a building engineer who can inspect the building and facilities soon after a disaster so that damage can be identified and repaired to make the premises safe for the return of employees as soon as possible?
- ☐ Is there a plan for the regular inspection of the building(s) and facilities, with an inspection checklist?
- ☐ Are there hazards in adjoining or neighbouring buildings that could endanger life or your business/organization?

- ☐ Do you have plans for alternative shelter, if needed?
- ☐ Do employees know where the alternative facilities are located?
- ☐ What is the risk of failure of such systems as electrical power, natural gas, toxic chemical containers and pipes?
- ☐ Are toxic materials safely stored?
- ☐ If public or general transportation is disrupted, will that affect your operations? Has this aspect been considered in your business resumption plan?

Information technology

- ☐ What arrangements exist for emergency telecommunications?
- ☐ Have provisions been made so that employees can communicate with their families without overloading telephone circuits?
- ☐ Is there a plan for alternative means of data transmission if the computer network is interrupted? Is the plan in writing? Are key staff aware of it? Has the security of alternative means of transmission been considered?
- ☐ How frequently do you test your recovery plan for electronic data processing? For communications during an emergency?

- ☐ Does your business resumption plan incorporate a review of computer operations and analyze networking and interdependencies between computers and systems?
- ☐ Are computers protected from leakage from fire sprinklers and pipes on upper floors?
- ☐ Does your business resumption plan consider accessibility to a back-up power generator?

Administrative procedures

- ☐ Does your business resumption plan cover administrative and management aspects in addition to operations? Is there a management plan to maintain operations if your headquarters is severely damaged or if access is denied or limited for an extended period of time?
- ☐ If some or all of senior management are unable to work, does your business resumption plan have procedures that will enable others to assume these responsibilities? (Is there an executive succession plan?)
- ☐ Is there a designated emergency operations centre where incident management teams can co-ordinate response and recovery?
- ☐ Have essential records been identified? Do you have a duplicate set of essential records stored in a secure and approved location?

- ☐ Are essential records separated for easy retrieval from those that will not be needed immediately?
- ☐ Is there a review procedure to check the protective and emergency devices in offices? (alarm systems, security procedures)
- ☐ Does your business resumption plan include the names and phone numbers of suppliers of essential equipment and other material?

Contracts

- ☐ Do any of your contractors provide a service or deliver goods that are essential to the continued operation of your business/organization and if so, do these contractors have business resumption plans in case they are also affected by the same disruption that has interrupted the functioning of your business?
- ☐ Have alternative sources of supply been established?

APPENDIX 3

Additional sources of advice on Business Resumption Planning

Ottawa-area:

The Disaster Recovery Information Exchange (DRIE)
P.O. Box 463
Manotick, Ontario
K4M 1A5

Quebec:

Association DRIE [Désastre : le Rétablissement par
l'information et l'échange]
C.P. 1669, Place Bonaventure
Montréal (Québec)
H5A 1H7

Manitoba, Saskatchewan, Alberta, British Columbia:

DRIE-West
P.O. Box 1557, Station "M"
Calgary, Alberta
T2P 3B9

British Columbia:

Emergency Preparedness Industry and
Commerce Council (EPICC)
1110 - 1040 W. Georgia Street
Vancouver, B.C.
V6E 4H1
Phone: (604) 687-5522
FAX: (604) 681-7530

Additional copies of this booklet and one entitled
The Preservation of Essential Records are available from:

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